



2. On July 9, 2019, US Capital/Noble Capital Texas Real Estate Income Fund, LP, filed Case No. 3:19-cv-02750 in the Northern District of California, San Francisco Division against Jadon Newman, Chris Ragland, Romney Navarro, Grady Collins, Jadon Newman, Hannah Heerlein, Hanna Heerlein, Ragland Holdings, LLC, Noble Capital Group, LLC, Noble Capital Fund Management, LLC, Noble Capital Properties, LLC, Noble Capital Servicing, LLC, Noble Capital Real Estate, LLC, Streamline Funding Group, LLC, Noble Capital Reo, LLC, Noble Capital Income Fund II, LLC, Noble Capital Income Fund III, LLC and Does 1-50, alleging the following causes of action:

- a. Civil Rico (18 U.S.C. § 1962(c));
- b. Civil Rico (18 U.S.C. § 1962(d));
- c. Fraud;
- d. False Advertising (15 U.S.C. § 1125);
- e. Unfair Competition (Cal. Bus. & Prof. Code §§ 17200 *et seq.* and 17500 *et seq.*);
- f. Breach of Contract (the MASA);
- g. Breach of Contract (the MOUs);
- h. Conversion;
- i. Unjust Enrichment;
- j. Intentional Interference with Contractual Relations; and
- k. Accounting.

A copy of the First Amended Complaint in the foregoing case is attached as **Exhibit 1**.

3. On or about July 9, 2019, in Case No. 3:19-cv-02750, Plaintiff US Capital/Noble Capital Texas Real Estate Income Fund, LP filed for Preliminary Injunction requiring Noble Capital to resume responsibilities as loan services, including providing the Fund with monthly reporting and forwarding all principal and interest payments it collects on behalf of the Fund from borrowers, and produce all documents requested by the Fund's independent auditor within five days of the Court's order. A copy of Plaintiff's Memorandum of Points and Authorities in Support of Motion for a Preliminary Injunction is attached as **Exhibit 2**.

4. On July 19, 2019, in Case No. 3:19-cv-02750, the Parties filed a Stipulation to Arbitrate and [Proposed] Order wherein they agreed that all claims asserted in the case would be consolidated with the Pending JAMS Arbitration. See **Exhibit 3** attached hereto.

5. On December 27, 2019 Noble Capital Group, LLC and Noble Capital Fund Management, LLC filed Plaintiff's Original Complaint in Case No. 1:19-cv-01255; *Noble Capital Group LLC, et al. v. US Capital Partners, et al.*, Western District of Texas, Austin Division. (See Ex. 1, Dkt. 8-2) Defendants filed a Motion to Compel Arbitration and on February 19, 2020, and Plaintiffs filed a First Amended Complaint. Defendants filed a second Motion to Compel Arbitration and Stay Proceedings, or Alternatively Motion to Dismiss, which was granted on July 31, 2020 by the Honorable Lee Yeakel, United States District Judge. (See Dkt. 8-3, 8-4, and 8-5). Plaintiffs appealed to the United States Court of Appeals for the Fifth Circuit, Case No. 20-50721, and that case is still pending.

6. On February 21, 2020, US Capital Global Securities, LLC filed for arbitration against Noble Capital Fund Management, LLC, Noble Capital Group, LLC, Noble Capital Servicing, LLC, Streamline Funding Group, LLC, and Emerge Real Estate Group, LLC in FINRA Case No. 20-00631. Respondents are represented in the FINRA Arbitration by Jason M. Hopkins and Jason S. Lewis of DLA Piper LLP, who also represent the Plaintiffs in this case.

7. On August 7, 2020 in the FINRA Arbitration Respondents filed Respondents' Answer and Affirmative Defenses wherein they admit the facts relevant to the FINRA Arbitration are set forth in the lawsuit initiated by Noble Capital Group, LLC and Noble Capital Fund Management, LLC, which is on appeal in the 5<sup>th</sup> Circuit. Respondents assert that those facts, and others to be presented at the merits hearing, justify dismissal of US Capital's claims

and entry of judgment in favor of Respondents based upon their forthcoming counterclaims against US Capital. Respondents also plead that US Capital's claims are barred based upon the affirmative defenses of breach of contract, fraud, failure to perform conditions precedent, and unclean hands. Defendant is not attaching a copy of Respondents' Answer and Affirmative Defenses in the FINRA Arbitration because of the contractual confidentiality obligations contained in the relevant contracts between the parties.

Respectfully submitted,

**WOODALL BATCHELOR PLLC**

*/s/ J. Daniel Woodall*

By: \_\_\_\_\_

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**CERTIFICATE OF SERVICE**

I hereby certify that on the **January 27, 2021**, a true copy of this document was electronically filed via the CM/ECF system and that the counsel of record noted below designated as counsel to receive electronic service of all instruments filed herein were served on this date, per the mandatory electronic filing rules.

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